

2006-2007 PERFORMANCE PLAN – PORTFOLIO MANAGER, SHORT DURATION FIXED INCOME (JEAN HSU)

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
30%	CalPERS Domestic Fixed Income (FI), Internal	Net of Fees, excess return in basis points relative to: Domestic Fixed Income (FI), Internal – CalPERS Custom LEH LPF {SW4KA1 – CALCCLP2}	0 basis points = 0 + 40 basis points = 1.0 + 60 basis points = 1.5
55%	CalPERS Short Duration Funds	Net of Fees, excess return in basis points relative to: <ul style="list-style-type: none"> (25%) High Quality LIBOR Fund – CalPERS BLENDED LIBOR FED FUND INDEX (DAILY) {SW3X – CPERLFFD} (25%) Short Duration Fund – CalPERS BLENDED LIBOR FED FUND INDEX (DAILY) {SW9D – CPERLFFD } (5%) CalPERS Internally Managed Short Term – State Street STIF net of fees {SJ10 – Y8K2} 	0 basis points = 0 + 5 basis points = 1.0 + 8 basis points = 1.5 0 basis points = 0 +30 basis points = 1.0 +45 basis points = 1.5 0 basis points = 0 +10 basis points =1.0 +15 basis points =1.5
85%	Subtotal	Quantitative Measures	

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	Demonstrate leadership within CalPERS and in the external investment community. Dimensions include: <ul style="list-style-type: none">• Within Investment Group• Trustees• CalPERS• External Investment Community	From Schedule
15%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	

Supervisor's Approval: Original signed by Russell Read_

Date: August 22, 2006